



## Washington State Gambling Commission

Mailing Address: P.O. Box 42400, Olympia, WA 98504-2400

Located at: 649 Woodland Square Loop SE, Lacey, WA 98503

(360) 438-7654 ♠ 1-800-345-2529

TDD (360) 438-7638 ♠ FAX (360) 438-7659

Web Site: [www.wsgc.wa.gov](http://www.wsgc.wa.gov)

### PROMOTIONAL CONTESTS OF CHANCE

Business Drawings, Sweepstakes, Games of Chance

#### What is a promotional contest of chance?

The Gambling Act of 1973 authorized a specific type of lottery called “promotional contests of chance” (“PCOC”) that businesses can use to promote their products and services. A common example of a PCOC is when a restaurant gives a free lunch to someone who has placed his/her business card in a jar for a drawing.

**Purpose:** The purpose of a PCOC is to advertise or promote the services, goods, wares and merchandise of your business.

**Entry requirements:** Entry into a PCOC cannot be contingent on purchasing a product from your business. You can require a person to drop off a ticket at your place of business and even listen to a sales presentation and receive the entry ticket after the presentation. However, you cannot require them to spend any money to be eligible to enter your contest.

**Jurisdiction:** A PCOC is under the jurisdiction of the Gambling Commission and the Attorney General’s Office. A business does not have to register or get a license to have a PCOC. However, there are specific legal requirements that must be followed.

▽ **Entry requirements** are authorized by the Washington State Gambling Commission.

▼ **Misrepresentations in the rules, or of available prizes, procedures for selecting winners and advertising** are regulated by the Washington State Attorney General’s Office, Consumer Protection Division.

#### Do I need to post rules for my contest?

If so, what should they say?

*Yes, rules should be posted and clearly state:*

- ▽ No purchase is required in order to win
- ▼ Name and address of promoter and sponsor of the promotion
- ▼ The entry procedures
- ▼ All eligibility requirements, if any
- ▼ The termination date for eligibility and whether it is a postmark or receipt date
- ▼ The number, retail value, and complete description of all prizes offered and whether cash may be awarded instead of merchandise
- ▼ Approximate odds of winning (if the odds will depend on the number of entries, state this)
- ▼ Geographic area covered and areas in which the offer is void, if any
- ▼ The date winners will be chosen and notified
- ▼ Method by which winners will be selected
- ▼ Whether or not the winner must be present for the drawing
- ▼ Publicity rights regarding use of the winner’s name
- ▼ Mailing address to allow consumers to request a list of winners of prizes greater than \$25 in value
- ▼ Whether or not the winner is responsible for applicable state or federal taxes (winner can be required to pay taxes, *but only if the taxes are paid directly to a government entity*)

#### Can I advertise my promotional contest of chance?

Yes, you can advertise a PCOC. This includes newspapers, magazines, signs, the internet and across state boundaries.

Gambling can be a problem.  
For help, call 1-800-547-6133

**Are there any limits on what I can require a person to do to enter my PCOC? Yes,**

*You may NOT require a person to:*

- ▽ Purchase anything of value from your business to be eligible to enter the contest or receive a scratch ticket or game piece. There must be a way a participant can enter a contest or receive a game piece without purchasing a product (for example, requesting one by mail)
- ▽ Call a 900 number to enter a contest or collect a prize
- ▼ Pay shipping/delivery charges or judging fees
- ▼ Divulge credit card or bank account numbers

*You may require a person to:*

- ▽ Purchase a bona fide newspaper or magazine, or a program sold in conjunction with a regularly scheduled sporting event to obtain a coupon or entry blank
- ▽ Place or answer a telephone call
- ▽ Visit a business location
- ▽ Complete an entry form or customer survey
- ▽ Furnish a stamped, self-addressed envelope

**Can I make additional entries into a contest based on the number of purchases I make?**

- ▽ Yes, a promoter/sponsor may give additional entries into a contest for each purchase of services, goods, wares or merchandise if the promoter/sponsor provides an alternate method of entry requiring no purchase, except for contests offered through the mail. *Contests offered through the mail CANNOT offer additional entries based on purchases made.*

**Can I use pull-tabs as part of my PCOC?**

- ▽ Punch boards and pull-tabs may not be used as a part of any promotional contest, UNLESS the scratch-off game cards or game pieces are specifically designed for a promotion. See WAC 230-46-070 for additional requirements.

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**GAMBLING COMMISSION REGIONAL OFFICES**

Seattle (425) 776-6751, Ext. 221  
Spokane (509) 456-3167, Ext. 228  
Tacoma (253) 471-5312, Ext. 221

**Laws and Rules:**

- ♣ Gambling law and rules: RCW 9.46 and WAC 230-46
  - ♣ Consumer Protection laws: RCW 19.86
  - ♣ Promotional Advertising of Prizes: RCW 19.170
  - ♣ Federal Trade Commission laws: 16 CFR 419
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**Additional Contacts:**

Washington State Attorney General  
Consumer Protection Division  
1-800-551-4636 Web Site: [www.wa.gov/ago](http://www.wa.gov/ago)

National Fraud Information Center  
1-800-876-7060

Federal Trade Commission  
600 Pennsylvania Ave NW, Washington, D.C. 20580

If you were solicited by mail, write:  
Chief Postal Inspector, Mail Fraud Complaints  
Washington, D.C. 20260-2100

**More information**

**Gambling:** Paying **money** for the **chance** to win a **prize**. If these three elements are involved— money, chance & prize – it is a gambling activity.

**Raffle:** Only bona fide charitable or nonprofit organizations are authorized to conduct raffles. See “unlicensed raffles” brochure for details.

**Skill Contest:** A contestant must answer a question or pass a skill test. A purchase or entry fee may be required; for example, a contestant submits a written essay and entry fee for the chance to win a house. The winner is chosen for the content of the essay (skill) and not by chance, no gambling is involved. See “You could win this house!!” brochure for details. Skill contests of this type are not regulated by the Gambling Commission.

**Premium Offer:** A gift that companies make available to all recipients who respond according to the company’s instructions; for example, a tote bag is received with each new magazine subscription. This is not a gambling activity.

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ADVANCE REQUEST.

Please contact (360) 438-7654, Ext. 314 or TDD (360) 438-7638

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